

## Message Text

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PAGE 01 BONN 01329 241245Z  
ACTION XMB-04

INFO OCT-01 EUR-12 EA-10 ISO-00 AID-05 CIAE-00 COME-00  
EB-08 FRB-03 INR-07 NSAE-00 USIA-06 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-06 CEA-01  
L-03 /097 W

-----117827 242216Z /64

R 241238Z JAN 78  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC 5123  
DEPARTMENT TREASURY  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY PARIS  
AMEMBASSY LONDON  
AMEMBASSY ROME  
AMEMBASSY TOKYO  
AMEMBASSY OTTAWA

C O N F I D E N T I A L BONN 01329

USEEC AND USOECD ALSO FOR EMBASSIES  
TREASURY FOR RYSS  
DEPARTMENT PASS EXIMBANK FOR CHAIRMAN MOORE

E.O. 11652: GDS  
TAGS: EFIN, GW  
SUBJECT: EXPORT CREDITS: NEGOTIATIONS  
ON A NEW INTERNATIONAL ARRANGEMENT

REF: (A) STATE 15723, (B) STATE 15691

1. IN COURSE OF WIDE-RANGING AND EXTREMELY FRANK  
EXCHANGE OF VIEWS BETWEEN EXIMBANK OFFICIALS (DIRECTOR  
DE SAINT PHALLE AND VICE PRESIDENT ALBRIGHT) AND WORKING  
LEVEL FRG OFFICIALS FROM ECONOMICS MINISTRY (GEHRING),  
FINANCE MINISTRY (EHRIG) AND HERMES, SUBJECT OF EXPORT  
CREDIT CONSENSUS WAS EXPLORED IN DEPTH WITH PARTICULAR  
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EMPHASIS ON LATEST U.S. PROPOSAL (REFTELS). GEHRING  
INFORMED US THAT CHANCELLOR SCHMIDT INTENDS TO RAISE  
ISSUE WITH GISCARD IN MEETING SCHEDULED FOR FEBRUARY  
5 AND 6.

2. INITIAL REACTION TO LATEST U.S. PROPOSALS WAS,  
HOWEVER, MIXED. GEHRING AND EHRIG ARGUED THAT ALTHOUGH

INTEREST RATE INCREASE FOR INTERMEDIATE COUNTRIES PRESENTS NO PROBLEM FOR FRG AND THAT FRENCH MIGHT ACQUIESCE UNDER SUFFICIENT PRESSURE, INCREASE IN 8 1/2 TO 10 YEAR RANGE FOR RELATIVELY POOR COUNTRIES WOULD BE POLITICALLY DANGEROUS AT PRESENT TIME IN LIGHT OF CURRENT TENSIONS IN NORTH/SOUTH DIALOGUE. THIS, WE WERE TOLD, IS NOT MERELY A GERMAN JUDGMENT BUT REFLECTS THE UNANIMOUS FEELING OF THE EC. IMPROVEMENT IN EXCHANGE OF INFORMATION SYSTEMS AND PRIOR NOTIFICATION PRESENTED NO PROBLEM TO GERMANS.

3. EXIMBANK DIRECTOR DE SAINT PHALLE STRESSED ACCOMMODATIONS U.S. HAD ALREADY MADE, THE IMPORTANCE OF MAKING PROGRESS IN THIS AREA NOT ONLY FOR ECONOMIC REASONS BUT, IN ADDITION, AS A GESTURE IN A WORLD WHERE PROTECTIONISM IS ON THE RISE AND AS A SIGNAL TO DEBT-BURDENED LDC'S THAT EXPORT CREDIT IS NOT AID BUT RATHER FUNDS LOANED WITH A REASONABLE ASSURANCE OF REPAYMENT.

4. GERMAN OFFICIALS, REFLECTING ON THESE POINTS, ADMITTED TO THEIR RATIONALITY BUT RETAINED SOME RESERVATIONS. GERMAN OFFICIALS DID COMPLAIN, HOWEVER, OF UNCLARITY WITH REGARD TO U.S. OBJECTIVES FOR EXPORT CREDIT CONSENSUS AND BACKGROUND AFFECTING U.S. PROPOSALS IN THIS AREA, SAYING -- "NEITHER WE NOR THE EC AS A WHOLE HAS EVER REALLY UNDERSTOOD WHAT THE U.S. WANTS  
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FROM THE CONSENSUS OR WHAT IS DRIVING THE U.S.". THEY RECOMMENDED THAT EXCHANGE OF VIEWS IN THIS REGARD SHOULD TAKE PLACE EARLIER, BE MORE FREQUENT AND FRANK.

5. AT CONCLUSION OF MEETING, IT APPEARED THAT GEHRING, WHO WILL ATTEND EC EXPORT CREDIT MEETING, JANUARY 24, WAS PREPARED TO PRESS THE CASE WITH THE FRENCH WITH GREATER RESOLVE.

STOESSEL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, NEGOTIATIONS  
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**Draft Date:** 24 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** GS  
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**Reference:** 78 STATE 15723, 78 STATE 15691  
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**Review Event:**  
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**Review Markings:**  
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